

Attachment 20: Capitalized Assets Purchased, USSGL 8802, and Statement of Financing Adjustments

Treasury requires all Federal Agencies to capture the current year purchases that are capitalized into memorandum USSGL accounts 8801/8802. Amounts recorded into accounts 8801/8802 should include only amounts capitalized in the current year that also represent delivered orders in the current year. Corrections to add assets to the books which were delivered in prior years (expensed in prior years or found assets) are not posted to 8801/8802. These accounts are used to populate line 15 in the Statement of Financing and are also used to determine more accurate elimination information. These accounts must identify whether the current year capitalized purchase is Non-Federal (N) or Federal (F), and if Federal, the Federal trading partner must be identified.

At this time, DoD is not fully compliant with the requirement to report using the 8801/8802 accounts. Efforts should be continued to properly capture this information as required. Currently, DoD is using the following workarounds to populate line 15 in the Statement of Financing:

The formula to calculate USSGL accounts 8801/8802 for line 15 should be (Ending Balance - Beginning Balance of asset accounts) + or – transfers in/out + cost of goods sold = new purchases. Whether transfers in/out will be added or subtracted in this formula depends on whether line 7 on the Statement of Financing is positive or negative. If line 7 is positive, subtract the amount. If line 7 is negative, add the amount. This requirement applies to entities that are calculating USSGL accounts 8801/8802 by taking the net change in the asset accounts.

Actual amounts should be used to populate USSGL accounts 8801/8802, if possible. If actual amounts cannot be obtained, estimate the amount utilizing the above formula or your best method.

In many instances, the above calculation will still result in a “disconnect” among the Statement of Financing, Statement of Changes in Net Position, and Statement of Net Costs. An asset account with a “Fin 15” attribute can be used to bring the three statements into agreement. Only this “adjustment” amount should be reported with a “Fin 15” attribute.

Line 27 of the Statement of Financing may also be used to adjust amount on other lines of the Statement of Financing. However, it is imperative that the “PMI 31” attribute be used with any adjustments being made to Line 27 of the Statement of Financing.

The absolute value of the amount needed to “adjust” the Statement of Financing must be forwarded to Agency Wide Financial Statements Directorate by the 13th calendar day for quarterly statements. This information is required by the 19th calendar day for year-end statements. This adjustment must also be included in the unsupported amount in the JV metric whether a journal voucher was actually prepared or not.

Any questions about this guidance should be directed to Cynthia Robinson at 317-510-7112.

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A detailed 8801/8802 transaction scenario is found at the Treasury website <http://www.fms.treas.gov/ussgl> and clicking on Approved Scenarios, then Proprietary Scenarios, and finally Memorandum Accounts for Current-Year Asset Activity – Purchases Scenario.

The Treasury website includes the guidance for the current Chart of Accounts, Account Descriptions, and Accounting Transactions. The following transactions apply:

E202 To record activity for current-year purchases of assets.

Transaction Origin: USSGL implementation guidance; Memorandum Accounts for Current-Year Asset Activity - Purchases

Comment: USSGL transactions that reference this transaction: B302, B304, B306, B334, B346, B404, C132, C134, D102, D104, D106, D108, D110, D114, D116, D132, and D134.

Memorandum Entry

Debit 8802 Purchases of Capitalized Assets

Credit 8801 Offset for Purchases of Capital Assets

Budgetary Entry

None

Proprietary Entry

None

F255 To record the closing of memorandum accounts for purchases.

Transaction Origin: USSGL implementation guidance; Memorandum Accounts for Current-Year Asset Activity - Purchases

Budgetary Entry

Debit 8801 Offset for Purchases of Capital Assets

Credit 8802 Purchases of Capitalized Assets

Proprietary Entry

None